

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
	:	
v.	:	DATE FILED: _____
	:	
GORDON N. GREEN	:	VIOLATIONS: 18 U.S.C. § 1954 (Bribery
	:	relating to an employee benefit
	:	fund - 1 count)
	:	18 U.S.C. § 664 (Theft of
	:	employee benefit fund property
	:	- 1 count)

INFORMATION

COUNT ONE

(Bribery relating to an employee benefit fund)

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

A. Background

1. The Laborers International Union of North America ("LIUNA"), headquartered in Washington, DC, has more than 800,000 members in more than 650 locals throughout the United States who work in a variety of fields such as state, local and federal government service, health care, mail handling, custodial services, shipbuilding, food service, and hazardous waste removal.

2. LIUNA has approximately 69 training centers across North America, including three mobile units, which provide training to its members in many areas including construction skills and environmental, nuclear and asbestos clean-up.

3. LIUNA and service contract employers participate in the Service Contract Education and Training Trust Fund (the "Training Trust Fund"), which is an employee benefit

plan subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974.

4. The general purpose of the Training Trust Fund is to provide employees in the service contract industry with training and educational opportunities that will enhance their employability and productivity and to provide supervisory and management training and education programs.

5. Defendant GORDON N. GREEN was employed as the director of the Training Trust Fund which, among other things, collects and holds required contributions from employers who hire LIUNA members throughout the United States, and distributes funds back to employers as reimbursement for employer-sponsored training programs according to the rules and requirements of the Training Fund.

6. In his capacity with the Training Fund, defendant GORDON N. GREEN would routinely analyze data concerning employer contributions to LIUNA and its pension fund, the Laborers' National (Industrial) Pension Fund, to verify that employers were making the required contributions to the Training Fund and that disbursements from the Training Fund were being made in accordance with appropriate rules and regulations. As part of this work, defendant GREEN had access to confidential reports submitted by employers of LIUNA members (hereinafter the "Labor Hour Reports") that showed, among other things, the names of employees, hours worked, and wages paid for each union member on each contract.

7. These Labor Hour Reports, which were confidential and not available to the public, contained information that is extremely valuable to employers of LIUNA members in formulating bid proposals on new contracts for several reasons, including the following:

- a. Approximately 80% of the costs associated with providing labor intensive services, such as janitorial services, is from the cost of paying the hourly wages of union workers. A typical contract is a fixed price contract in which the winning bidder makes a profit by incurring costs that are lower than the fixed amount or loses money by incurring costs that exceed the fixed contract amount.
- b. As a consequence, it is essential in formulating a bid proposal for a labor intensive contract to accurately estimate the number of labor hours that will be required to meet the contract requirements.
- c. In a typical case, the contractor who supplies the winning bid will utilize the same union employees who worked for the previous contractor. As a result, the total number of labor hours submitted by the incumbent contractor to LIUNA is valuable information that competitive bidders could use in formulating bids on the contract held by the incumbent because it eliminates uncertainty in determining the number of hours required to complete the work and decreases the possibility that the contract would be bid on at an unprofitably low rate.

B. The Sting Operation

8. On or about September 9, 2002, defendant GORDON N. GREEN contacted the president of a company located in the Eastern District of Pennsylvania, whom he knew to be an employer of LIUNA members who work exclusively on U.S. government contracts (referred to

herein as the "Employer"), for the purpose of soliciting the payment of cash and other financial rewards in exchange for GREEN providing the confidential Labor Hour Reports to the Employer.

9. The Employer contacted federal law enforcement officials promptly upon receiving defendant GORDON N. GREEN's offer, and an undercover operation was established whereby the Employer's phone calls to GREEN were secretly recorded and his in-person meetings with GREEN were secretly videotaped.

10. Between October 17, 2002 and November 19, 2002, defendant GORDON N. GREEN and the Employer engaged in a series of consensually monitored phone calls and face-to-face videotaped meetings concerning the terms and conditions upon which defendant GREEN would agree to provide the Labor Hour Reports to the Employer.

11. During a meeting on October 17, 2002, defendant GREEN also stated that he could help the Employer steal approximately 90% of the \$90,000 that its company had previously contributed to the LIUNA training fund by submitting false training reimbursement forms to LIUNA.

12. Defendant GREEN, whose job responsibilities included oversight of the training fund, suggested that the Employer should request that his union employees sign a training reimbursement form certifying that they had received training at the time that each employee picks up his or her pay check. Defendant GREEN advised that the employees would not have to receive any training and would instead think that they were merely signing for their paycheck rather than certifying that they had received training.

13. On October 21, 2002, defendant GORDON N. GREEN provided the Employer with the confidential Labor Hour Reports pertaining to an upcoming multi-million dollar

Department of the Navy contract at the Jet Propulsion Laboratory ("JPL") in California as a "good faith" gesture and to induce the Employer into agreeing to purchase additional reports for other contracts.

14. On October 23, 2002, during a consensually monitored and recorded telephone conversation, defendant GORDON N. GREEN told the Employer that he had similar Labor Hour Reports at home on 144 different contracts, and that he was willing to provide all of them in exchange for a payoff or a bribe. During the conversation, defendant GREEN stated that the information contained in all of the Labor Hour Reports derives from same source – the LIUNA pension fund.

15. During the conversation, defendant GORDON N. GREEN stated that he believed that the reports were worth between \$150,000 to \$200,000, but ultimately agreed to accept \$150,000 in cash, with \$80,000 to be paid up front, and the remaining \$70,000 due shortly thereafter.

16. On October 28, 2002, defendant GORDON N. GREEN and the Employer agreed that, at 10:30 a.m. on November 19, 2002, the Employer would make the initial payment of \$80,000 cash to defendant GREEN at the Employer's office in Doylestown, Pennsylvania in exchange for all of the 144 pension fund labor hour contract reports

17. On November 19, 2002, defendant GORDON N. GREEN accepted from the Employer a suitcase containing \$80,000 in cash and provided the Employer with confidential Labor Hour Reports for 144 different LIUNA contracts throughout the United States.

18. Between on or about October 17, 2002 and on or about November 19, 2002, in the Eastern District of Pennsylvania and elsewhere, the defendant

GORDON N. GREEN

solicited and agreed to receive a cash payment in the amount of \$150,000 from an employer, with intent to be influenced with respect to his actions, decisions, and other duties relating to matters concerning the Service Contract Education and Training Trust Fund and the Laborers' National (Industrial) Pension Fund, that is, defendant GREEN provided without authorization or permission a total of 144 non-public and confidential Labor Hour Reports to an employer in exchange for the cash payment of \$150,000.

All in violation of Title 18, United States Code, Section 1954.

COUNT TWO

(Theft of employee benefit fund property)

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs One through Seven of Count One are incorporated here.
2. The Service Contract Education and Training Trust Fund and the Laborers' National (Industrial) Pension Fund were employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") (29 U.S.C. § 1001, et seq.). As such, the assets and property of each of these funds were to be held in trust for the exclusive purpose of providing benefits to participants and their beneficiaries and for defraying the reasonable expenses of administering the funds.
3. Defendant GORDON N. GREEN was the director of the Service Contract Education and Training Trust Fund, and as such, owed a duty of loyalty and prudence to the fund.
4. Defendant GORDON N. GREEN had access to and control over confidential Labor Hour Reports, which were the exclusive property of both the Service Contract Education and Training Trust Fund and the Laborers' National (Industrial) Pension Fund to be used only for official fund business and which were not to be distributed or sold to anyone.
5. Between on or about October 17, 2002 and on or about November 19, 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

GORDON N. GREEN

unlawfully and willfully abstracted, stole and converted to his own use, property and other assets of the Service Contract Education and Training Trust Fund and the Laborers' National (Industrial) Pension Fund, in that he obtained confidential Labor Hour reports for 144 different

LIUNA contracts and sold and attempted to sell those reports to an outside party, an employer of union members, in exchange for a total cash payment of \$150,000.

In violation of Title 18, United States Code, Section 664.

PATRICK L. MEEHAN
United States Attorney